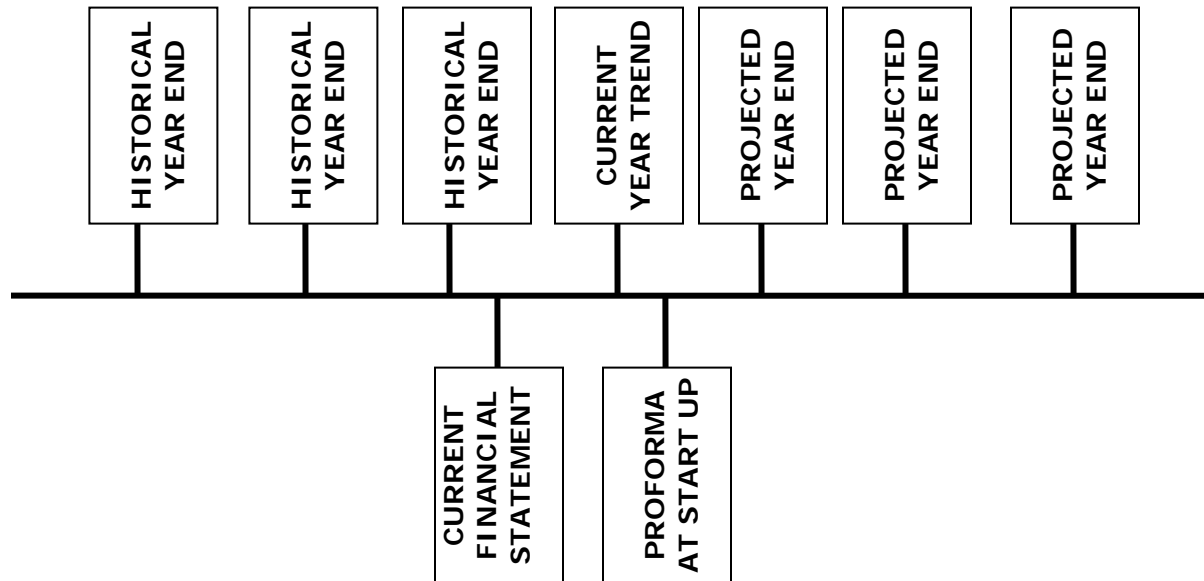


Financial Statements

Business & Industry Loan Applications



- Financial statements shall include a balance sheet, an income or profit and loss statement, and cash flow statements
- At least 3 years of historical financial statements
 - Audited financial statements, if available
 - Include parent, subsidiary, and affiliated companies
- Current financial statement must be not more than 90 days old
- Proforma financial statements at start-up after project is completed and facility is in operation
- Projected financial statements should include at least 2 full years at full operation
 - Include list of assumptions
 - Cash flow statement
 - Monthly for the first year
- Lenders analysis should include a spreadsheet of historical and projected financial statements
 - Appropriate ratios
 - Comparison with industry standards, such as D&B or RMA
 - Also shown is common size form
 - Credit analysis should address borrower's management, repayment ability, history, collateral, strengths and weaknesses, and measures to mitigate risk
 - Address parent, subsidiary, and affiliated companies
- Personal financial statements not more than 60 days old for all guarantors